

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

May 25, 2022

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, May 25, 2022 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Darrell A. Barroso, President
Lary J. Cangelose, Vice President
Mike Kelley, Secretary
Jon Morgan, Assistant Secretary
Ben A. Solis, Treasurer

and the following were absent:

None

Also present were Mr. Jerry Homan, general manager for the District; Mr. Brian Breeding, assistant general manager for the District; Ms. Pam Magee, office manager for the District; Ms. Norma Catherman, tax assessor-collector for the District; Mr. Samuel Meza, operations manager for the District; Mr. Bill Rosenbaum and Mr. Adam Anderson, engineers for the District; Mr. Bob Ideus, bookkeeper for the District; Mr. Scott Gray, representative for Champions Hydro-Lawn; and Ms. Jennifer B. Seipel, attorney for the District. Also present was Mr. Bill Russell with Myrtle Cruz.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. There were no customer inquiries or input for consideration.

2. Ms. Catherman presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed an 94.27% collection rate for the 2021 tax year, with all other tax years excluding 2020 and 2021 being 99% collected or better. After further review of the report, upon motion made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board approved the tax assessor-collector's report and payment of the bills listed thereon with checks drawn from the tax fund.

Ms. Catherman then presented the Board with a request from a District customer for the waiver of penalties and interest incurred in connection with a delinquent tax payment. It was noted that the customer purchased his home around the time that tax statements were mailed out, and it was believed that he did not receive his bill. Further, it was noted that his subsequent tax statements did not note the past due balance. Ms. Catherman confirmed that she is working with representatives for the tax software program to address that issue so that this type of situation is avoided in the future. Subject to that discussion, upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the request for waiver.

3. Mr. Ideus then presented the fund manager's report, a copy of which is attached hereto. The report showed checks and/or wire transfers in the amounts of (i) 28,163.25 to CSI Consolidated, LLC, (ii) \$3,000.00 to Software Solutions, (iii) \$67,663.93 for engineering services, (iv) \$156,349.54 to Persons Services Corp., and (v) \$27,997.41 to Smith, Murdaugh, Little & Bonham, LLP. After discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon. Furthermore, the Board thanked Mr. Ideus for his many years of service to the District. Mr. Ideus then left the meeting.

4. The Board then considered the minutes for the meeting held on May 18, 2022. After discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 58,246,000 gallons from its wells, with an average daily flow of 1,941,583 gallons.

At the wastewater treatment plants, the total combined treatment amounted to 75,159,000 gallons with an average daily flow from the plants of 2,505,300 gallons per day. There were 2.6 inches of rainfall during the month of April.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected.

With respect to out-of-district water use, Emerald Forest Utility District used 128,000 gallons and MUD No. 248 used 11,723,000 gallons.

As for personnel matters, a safety meeting on chemical safety and the purpose of safety data sheets is scheduled for June.

Director Kelley asked several questions related to the District's conversion from landlines to wireless phone service at its facilities, specifically whether emergency response personnel would be able to determine which District facility a call was coming from. Mr. Meza and Mr. Breeding stated that they would look into the matter.

After review, upon motion made by Director Cangelose, seconded by Director Morgan, and unanimously carried, the Board approved the operations report as presented.

6. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. With regard to phase 8 of the District's sanitary sewer rehabilitation project, Mr. Rosenbaum presented and recommended approval of Pay Application No. 3 in the amount of \$28,163.25 to CSI Consolidated. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application as presented.

As for the sanitary sewer and water line relocation project at N. Eldridge Parkway and F.M. 1960, Mr. Rosenbaum presented and recommended approval of (i) Pay Application No. 7 in the amount of \$156,349.54 and (ii) Change Order No. 3 in the amount of \$80,880.16 to Persons Services Corp ("Persons"). With regard to the change order, the engineer and Mr. Homan noted that it relates to the purchase and installation of inserta valves that will allow the

District to switch from use of the existing water lines to the new water lines without major interruptions to customers. Mr. Homan noted that the District will seek partial reimbursement of that expense from the Texas Department of Transportation under the parties' reimbursement agreement, but that such reimbursement is not guaranteed. The Board agreed with the proposed course of action. Subject to that discussion, upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application submitted by Persons. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the change order submitted by Persons.

Lastly, Mr. Rosenbaum reported that members of his team met with District personnel today to discuss a variety of pending business and capital improvements projects. That meeting went well.

After further review and discussion, upon motion made by Director Morgan, seconded by Director Cangelose, and unanimously carried, the Board approved the engineer's report as presented.

7. The Board next considered payment of the general fund bills listed on the report prepared by Ms. Magee, a copy of which is attached hereto. After review, upon motion made by Director Morgan, seconded by Director Cangelose, and unanimously carried, the Board approved payment of the general fund bills as presented.

8. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee reviewed the District's April financials with the Board, noting that the figures on the first page have been updated.

Ms. Magee also presented a write-off list to be sent to collections.

Mr. Breeding reported on various pending matters, including preparation of the District's 2022 consumer confidence reports.

Mr. Homan requested that Mr. Gray with Champions Hydrolawn provide a brief report on the status of the District's drainage facilities. He noted that everything is in good condition.

Mr. Homan reported that the recent town hall meeting featuring Harris County Precinct No. 3 Commissioner Tom Ramsey was a huge success, with a large crowd in attendance and a lot of positive feedback. The Board shared this sentiment and discussed the benefits of cultivating a relationship with Harris County and others.

Lastly, Mr. Homan introduced to the Board to Mr. Bill Russell, who will be serving as the District's bookkeeper effective June 1, 2022. Mr. Russell provided some information on his educational and personal background and discussed the details of his firm's transition to serving in the role of bookkeeper. He stated that he will have more information at the June meeting after reviewing the District's accounts and records.

Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the management report as presented.

9. The Board considered items for the next agenda, including approval of this year's consumer confidence reports.

W W Kelley 6-8-22
Secretary

Short Term Action Items

1. Consumer Confidence Reports

Long Term Action Items

1. Contract Negotiations with Various Entities Served by the District
2. Plans for use of SPA Funds